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**To the Co-Chairs and members of the Commerce Committee**

**Testimony regarding Senate Bill 1007 AAC Revisions to the Paid Sick Leave Statutes**

*Submitted by Lindsay Farrell, executive director*

Senator LeBeau, Representative Perone, and members of the Committee, thank you for the opportunity to testify on this bill today to change the paid sick days law.

Some changes will be required for Working Families to be able to support SB 1007. We appreciate the spirit of making adjustments to this law to improve it, and would like to advocate for more coverage and protection under the law.

The paid sick days law has been so far a success.

o Employment in the industries covered by the law has only gone up since the law went into effect. The Connecticut Department of Labor reports that employment has only grown since the passage of the paid sick days law in Connecticut in the Leisure and Hospitality and Education and Health Services sectors -- the two that were most impacted by the new law. And this despite an overall pretty weak economy.

o Wages in the effected industries have not declined. For example, in food service the average wage range was \$8.51 a \$17.69 in 2011, according to the Department of Labor. By 2012, it was \$8.64 – \$17.74.

o The doomsday predictions we heard from employers have not come true. Most of the businesses who predicted doom when offering public testimony against the legislation have expanded and grown since the passage of the paid sick days law. Among them:

- o The USS Chowder Pot testified to the Connecticut General Assembly that "If this bill SB 913 [the paid sick days bill] passes, I would be forced to close both restaurants resulting in a loss of approximately 240 full time and part time jobs in the state of Connecticut." Well, both restaurants are still standing. And also, they're hiring.
- o The SBC Restaurant Group testified, "In the backdrop of this hit to my industry, SB 913 doubles down on the hospitality industry, proposing yet another job killing business mandate." But according to the CT Post, they're expanding, not contracting. "In late August, the company opened Sitting Duck Tavern, SBC's premier sister restaurant on Main Street"
- o The Hartford Restaurant Group also testified that "the reality is SB 913 is unreasonable and not practical, and would most likely stunt any growth opportunity." But they're expanding too. According to the Courant, HRG "which operates Wood-n-Tap, Agave Grill and TD Homer's Grill, has acquired the five-story building... It will likely be used initially for storage for its growing restaurant business and possibly its corporate office."

## We can use this opportunity to make the law stronger

There are two flaws with the law: first, it does not protect enough employees, and second, it does not do enough to inform employees of their rights. We propose lowering the threshold of employees to 25 so that more businesses are included in the definition of employer. We also support adding more job classifications to the list of covered employees, or eliminating the "service employee" language entirely so that all non-salaried employees are covered. The current legislation will bring guaranteed paid sick days to 200,000 – 300,000 workers in Connecticut when it is fully-implemented, about half of the Connecticut workers who had no paid sick days before the legislation passed. The more workers we can protect from having to choose between their jobs and their health, the stronger Connecticut's workforce and economy will be.

Additionally, more needs to be done to inform employees of their new right. We applaud the Department of Labor for the outreach they have done to make sure that employers are informed about the law and in compliance, but we need to do a better job educating the state's workers. Without an undue financial burden to the state, we can use state institutions to inform the Connecticut workforce about this protection by using our social services offices, community health centers, tax return mailings and other institutions to disseminate information to workers about their rights. We could do what they did in San Francisco, and send notices home with students about the legislation so that all parents are aware of the right. As the saying goes, knowing is half the battle.

## This would make the law more consistent with paid sick days laws and proposals elsewhere

- o The San Francisco law covers all employers: businesses with 10 or fewer employees earn up to five days per year, while workers at larger businesses earn nine days per year. Two studies demonstrate that employment rates in San Francisco have not suffered in the wake of the paid sick days law.<sup>1</sup>

- o In Washington DC, businesses with 100 or more workers earn up to seven days of paid sick leave each year, workers in businesses with 25-99 workers earn five days, and workers in businesses with 24 or fewer workers earn three days.

- o In Seattle, the paid sick days ordinance applies to all employers with more than four full-time equivalent employees, and all employees are eligible for the benefit; including full-time, part-time and temporary workers.

- o 145 countries ensure access to paid sick days for short- or long-term illnesses, with 127 providing a week or more annually. Many high-income economies require employers to provide paid sick days upwards of 10 days, including: Japan, the Netherlands, Switzerland, Sweden, Denmark, Finland, and Singapore.

- o There are active paid sick days campaigns in cities around the state, including New York City, as well as 20 states. Connecticut's own Representative Rosa DeLauro is introducing a federal bill with Senator Harkin to cover employers of 15 or more.

We would be excited to support this legislation if it were changed to protect more employees. Thank you.

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<sup>1</sup> Lovell and Miller, "Job Growth Strong with Paid Sick Days," Institute for Women's Policy Research (2008); John Petro, *Paid Sick Leave Does Not Harm Employment*, Drum Major Institute (2010).